

AMENDED IN ASSEMBLY MARCH 24, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1291**

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**Introduced by Assembly Member Davis**

February 18, 2011

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An act to amend Section 1685 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 1291, as amended, Davis. Vehicles: existing and emerging technologies.

Existing law authorizes the Department of Motor Vehicles, in order to continue improving the quality of products and services it provides to its customers, to establish contracts for electronic programs that allow qualified private industry partners to join the department in providing services that include processing and payment programs for vehicle registration and titling transactions.

This bill would *additionally* authorize the department to pursue the use and development of existing or emerging technologies, including technological applications that impact traffic safety or law enforcement procedures developed and evaluated in conjunction with the Department of the California Highway Patrol, for the purpose of maximizing the ~~efficiency of service~~ *efficient delivery of vehicle registration services* and achieving cost savings for business partners, service providers, or other customer groups as determined by the department. *The bill would also require the department to follow the procurement procedures adopted by the Department of General Services as set forth in the State Contracting Manual for contracts entered into pursuant to these provisions.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. The Legislature finds and declares that California  
2     has 28 million registered vehicles, and managing the registration  
3     of those vehicles presents certain fixed costs for the Department  
4     of Motor Vehicles. The use of technology may present  
5     opportunities for the department to reduce the costs to carry out  
6     the duties of vehicle registration administration both internally and  
7     with respect to communications with vehicle owners.

8     SEC. 2. Section 1685 of the Vehicle Code is amended to read:

9     1685. (a) In order to continue improving the quality of products  
10    and services it provides to its customers, the department, in  
11    conformance with Article 4 (commencing with Section 19130) of  
12    Chapter 5 of Part 2 of Division 5 of Title 2 of the Government  
13    Code, may establish contracts for electronic programs that allow  
14    qualified private industry partners to join the department in  
15    providing services that include processing and payment programs  
16    for vehicle registration and titling transactions.

17    (b) (1) The department may enter into contractual agreements  
18    with qualified private industry partners. There are the following  
19    three types of private industry partnerships authorized under this  
20    section:

21    (A) First-line business partner is an industry partner that receives  
22    data directly from the department and uses it to complete  
23    registration and titling activities for that partner's own business  
24    purposes.

25    (B) First-line service provider is an industry partner that receives  
26    information from the department and then transmits it to another  
27    authorized industry partner.

28    (C) Second-line business partner is a partner that receives  
29    information from a first-line service provider.

30    (2) The private industry partner contractual agreements shall  
31    include the following minimum requirements:

32    (A) Filing of an application and payment of an application fee,  
33    as established by the department.

34    (B) Submission of information, including, but not limited to,  
35    fingerprints and personal history statements, focusing on and

1 concerning the applicant's character, honesty, integrity, and  
2 reputation as the department may consider necessary.

3 (C) Posting a bond in an amount consistent with Section 1815.

4 (3) The department shall, through regulations, establish any  
5 additional requirements for the purpose of safeguarding privacy  
6 and protecting the information authorized for release under this  
7 section.

8 (c) The director may establish, through the adoption of  
9 regulations, the maximum amount that a qualified private industry  
10 partner may charge its customers in providing the services  
11 authorized under subdivision (a).

12 (d) The department shall charge a three-dollar (\$3) transaction  
13 fee for the information and services provided under subdivision  
14 (a). The private industry partner may pass the transaction fee to  
15 the customer, but the total charge to a customer may not exceed  
16 the amount established by the director under subdivision (c).

17 (e) All fees collected by the department pursuant to subdivision  
18 (d) shall be deposited in the Motor Vehicle Account. On January  
19 1 of each year, the department shall adjust the fee in accordance  
20 with the California Consumer Price Index. The amount of the fee  
21 shall be rounded to the nearest whole dollar, with amounts equal  
22 to, or greater than, fifty cents (\$0.50) rounded to the next highest  
23 whole dollar.

24 (f) The department shall adopt regulations and procedures that  
25 ensure adequate oversight and monitoring of qualified private  
26 industry partners to protect vehicle owners from the improper use  
27 of vehicle records. These regulations and procedures shall include  
28 provisions for qualified private industry partners to periodically  
29 submit records to the department, and the department shall review  
30 those records as necessary. The regulations shall also include  
31 provisions for the dedication of department resources to program  
32 monitoring and oversight; the protection of confidential records  
33 in the department's files and databases; and the duration and nature  
34 of the contracts with qualified private industry partners.

35 (g) The department may pursue the use and development of  
36 existing or emerging technologies for the purpose of maximizing  
37 ~~the efficiency of service delivery~~ *efficient delivery of vehicle*  
38 *registration services* and achieving cost savings for business  
39 partners, service providers, or other customer groups as determined  
40 by the department.

(1) “Existing and emerging technologies” may include technologies that are in development or commercially available for administrative, on-road, or vehicle applications that improve or create efficiencies in departmental administrative processes.

(2) Technological applications that impact traffic safety or law enforcement procedures shall be developed and evaluated in conjunction with the Department of the California Highway Patrol.

*(h) The department shall follow the procurement procedures adopted by the Department of General Services as set forth in the State Contracting Manual for contracts entered into pursuant to this section.*

~~(h)~~

(i) The department shall, annually, by October 1, provide a report to the Legislature that shall include all of the following information gathered during the fiscal year immediately preceding the report date:

(1) Listing of all qualified private industry partners, including names and business addresses.

(2) Volume of transactions, by type, completed by business partners.

(3) Total amount of funds, by transaction type, collected by business partners.

(4) Total amount of funds received by the department.

(5) Description of any fraudulent activities identified by the department.

*(6) Descriptions of technology solutions in use or under development, the amount of any funds expended by the department, and the outcome of any evaluation or implementation conducted for purposes of this subdivision.*

~~(6)~~

(7) Evaluation of the benefits of the program.

~~(7)~~

(8) Recommendations for any administrative or statutory changes that may be needed to improve the program.

~~(i)~~

(j) This section does not impair or limit the authority provided in Section 4610 or Section 12155 of the Insurance Code.